

1958

ANNUAL REPORT

OF

The Belt Railway Company

of CHICAGO

FOR THE

YEAR ENDED DECEMBER 31, 1958

BOARDS

MRB
652.0973
B419a

ORGANIZATION

DIRECTORS

R. G. RYDIN, The Atchison, Topeka and Santa Fe Ry. Co.....Chicago, Ill.
M. M. CRONK, The Chesapeake and Ohio Ry. Co.....Cleveland, Ohio
OWEN F. CLARKE, The Chesapeake and Ohio Ry. Co.....Cleveland, Ohio
DAVID O. MATHEWS, Chicago & Eastern Illinois R.R. Co.....Chicago, Ill.
HOLLY STOVER, Chicago, Burlington & Quincy R.R. Co.....Chicago, Ill.
F. J. CONRAD, Chicago, Rock Island and Pacific R.R. Co.....Chicago, Ill.
GARRET C. WHITE, Erie R.R. Co.....Cleveland, Ohio
F. A. GAFFNEY, Grand Trunk Western R.R. Co.....Detroit, Mich.
O. H. ZIMMERMAN, Illinois Central R.R. Co.....Chicago, Ill.
HENRY J. BUCHMAN, Monon Railroad.....New York, N. Y.
H. H. PEVLER, Pennsylvania Co.....Chicago, Ill.
ARTHUR K. ATKINSON, Wabash R.R. Co.....St. Louis, Mo.
R. R. GALLIGAN, Wisconsin Central R.R. Co.....Minneapolis, Minn.

At the annual meeting of the stockholders held on April 8, 1958. Mr. Owen F. Clarke was elected a Director to fill the vacancy created by the resignation of Mr. J. E. Doyle, and Mr. F. J. Conrad was elected a Director to fill the vacancy created by the resignation of Mr. R. E. Johnson.

At a special meeting of the stockholders held on July 8, 1958. Mr. Holly Stover was elected a Director to fill the vacancy created by the resignation of Mr. L. R. Capron.

At a special meeting of the stockholders held on January 13, 1959. Mr. Henry J. Buchman was elected a Director to fill the vacancy created by the resignation of Mr. Warren W. Brown.

EXECUTIVE COMMITTEE

H. H. PEVLER, Chairman
ARTHUR K. ATKINSON
F. J. CONRAD

M. M. CRONK
GARRET C. WHITE

OFFICERS

President and General Manager.....L. A. EVANS
Vice President-Traffic.....F. J. WASSON
General Counsel.....F. C. GAGEN
Secretary and Treasurer.....J. R. EKHOLM
Auditor.....I. A. SCHILKE
Assistant Auditor.....C. L. HOLT
Assistant Secretary and Assistant Treasurer.....G. D. MORIARTY

GENERAL OFFICES

DEARBORN STATION, CHICAGO, ILLINOIS

ANNUAL MEETING OF STOCKHOLDERS
SECOND TUESDAY IN APRIL EACH YEAR AT CHICAGO

GENERAL REMARKS

To the Stockholders of
The Belt Railway Company of Chicago

Chicago, April 14, 1959

The Board of Directors herewith submits its report of operations for the year ended December 31, 1958.

OPERATING REVENUES:

Total operating revenues for the year were \$14,536,557 compared with \$15,933,904 in 1957, a decrease of \$1,397,347, or 8.8 per cent. Total loaded cars handled in Belt Separate Operation, which comprises the principal source of operating revenue, decreased 85,469, or 13.2 per cent, reflecting the decrease of 14.9 per cent in nationwide car-loadings for 1958.

RATES:

As a result of rate increases allowed by the Interstate Commerce Commission in Docket X-212 on interstate traffic effective February 15, 1958, and by the Illinois Commerce Commission on intrastate traffic effective April 28, 1958, the Belt's average switching charges at the close of 1958 were 1.6 per cent higher than at the close of 1957.

OPERATING EXPENSES:

Total gross operating expenses in 1958 were \$12,786,424, or \$836,677 less than 1957, notwithstanding higher wage rates amounting to \$531,357. Operating ratio increased to 71.84 from 70.50 in 1957.

MAINTENANCE OF WAY AND STRUCTURES:

Gross Maintenance of Way and Structures expense decreased \$429,559, or 21.3 per cent; that portion chargeable to Belt Railway Separate Operation decreased \$346,249, or 22.6 per cent, principally due to a reduced road maintenance program. Higher wages amounted to \$50,528.

Rail replacements in 1958 were 908 gross tons of new and 1,247 gross tons of secondhand rail compared with renewal of 2,773 gross tons of new and 2,050 gross tons of secondhand rail in 1957.

There were 4,772 crossties and 106,314 feet B.M. switch ties installed during the year compared with 6,184 crossties and 101,678 feet B.M. switch ties placed in 1957.

MAINTENANCE OF EQUIPMENT:

Gross Maintenance of Equipment expense increased \$7,564, or .49

per cent; that portion chargeable to Belt Railway Separate Operation decreased \$4,081, or .30 per cent. Extensive damage to six diesel locomotives as a result of fire which destroyed the Clearing Round-house March 23, 1958, burdened Maintenance of Equipment expenses \$108,662. Higher wages amounted to \$40,985.

TRAFFIC:

Gross Traffic expense increased \$7,202, or 7.1 per cent; that portion chargeable to Belt Railway Separate Operation increased \$5,338, or 6.5 per cent. Higher wages amounted to \$3,602.

TRANSPORTATION:

Gross Transportation expense decreased \$412,761, or 4.4 per cent; that portion chargeable to Belt Railway Separate Operation decreased \$433,567, or 5.6 per cent. Higher wages amounted to \$422,008.

GENERAL:

Gross General expense decreased \$9,123, or 1.5 per cent; that portion chargeable to Belt Railway Separate Operation decreased \$12,145, or 2.4 per cent. Higher wages amounted to \$14,234.

RAILWAY TAX ACCRUALS:

Decrease of \$70,918 is principally due to decrease in income tax accrual.

JOINT FACILITY RENT INCOME:

Increase of \$78,004 is due principally to decrease in amount of Belt Separate Operation gain in 1958 returned to owner lines as a reduction of working expenses.

HIRE OF FREIGHT CARS:

Decrease of \$420,082 is due to decrease in the number of per diem cars handled and reduced detention of business, particularly industrial detention.

MISCELLANEOUS INCOME CHARGES:

Decrease of \$36,605 is due to payment previous year as interest at six per cent to the Director of Internal Revenue on income tax under protest for year 1951.

DIVIDEND:

Dividend of \$187,200, or 6.0 per cent, on the capital stock of the company was declared and paid on December 26, 1958.

WAGE AND LABOR RELATIONS:

Agreements entered into in 1956 and 1957 with Railway Labor Organizations include provisions for changes in rates of pay and working conditions to be made as specified therein in the years 1956, 1957, 1958 and 1959. The changes made effective in 1956 and 1957 in conformity with the requirements of the agreements are outlined in the annual reports for those years. The requirements for 1958 have been met. They were:

Cost-of-Living Adjustments:

Upward adjustments of 4 cents and 1 cent applied uniformly on an hourly basis, effective May 1 and November 1, 1958, respectively, to all employees covered by the provisions of the agreements. The agreements further provide for adjustments on May 1, and November 1, 1959.

Basic Wage Rates:

Basic hourly rates of pay were increased, effective November 1, 1958, by:

Seven cents per hour to Non-operating employees represented by the eleven co-operating labor organizations; Mechanical and Electrical Department Foremen; Patrolmen; Train Dispatchers; Yardmasters, and Locomotive Firemen.

Five cents per hour to Switchmen and Switch Tenders.

13.0 per cent over basic rates in effect on October 31, 1956, to Locomotive Engineers.

EMPLOYEE RELATIONS:

Employee development continued to receive the special attention of the management.

The number of employees at the year end was 1,620 compared with 1,774 in 1957.

ADDITIONS AND BETTERMENTS:

Additions and Betterments are indicated in detail on pages 10 and 11.

NEW INDUSTRIES:

During the year sixteen new industries were located and fourteen vacated, compared with eighteen located and thirteen vacated in 1957.

LAKE CARGO COAL:

Lake cargo coal operation at the Rail to Water Transfer Corporation facilities, South Chicago, opened April 2 and closed December 11. Coal tonnage handled over the facilities during the year totaled 5,776,944, a decrease of 603,223 tons, or 9.5 per cent, under the previous year.

L.C.L. MERCHANDISE:

The Board of Directors at its November 12, 1957 meeting, by resolution, authorized management to take the necessary action to bring about the discontinuance of the Belt L.C.L. business. Petition filed with the Illinois Commerce Commission for such authority was approved. Accordingly, the freight house was abandoned and L.C.L. service discontinued effective September 1, 1958.

CHICAGO REGIONAL PORT AUTHORITY:

The proposed report and order of the Examiner of the Interstate Commerce Commission hearing the applications of the Belt, Illinois Central, Pennsylvania, Kensington and Eastern, South Shore, New York Central and Indiana Harbor Belt for entry to the Lake Calumet port was received in August. The proposed report recommended that the request of the applicants for access to the port be granted. Exceptions and replies thereto have been filed and it is expected that the matter will be argued in the spring of 1959.

ORGANIZATION CHANGES:

Mr. A. B. Hillman, Jr. was appointed Assistant Chief Engineer effective October 16, 1958, vice Mr. D. E. Perrine, deceased.

Detailed statement of the accounts of the Company will be found in the following tables.

The Board desires to express its appreciation for the cooperation and contribution of the employees and managerial staffs during the year.

Respectfully submitted by order of the Board of Directors.

L. A. EVANS

President and General Manager

INCOME STATEMENT

For the Year ended December 31, 1958, compared with the
Year ended December 31, 1957

	1958	1957	Increase or (Decrease)
RAILWAY OPERATING REVENUES:			
Intermediate switching.....	\$ 5,802,001	\$ 6,344,318	\$ (542,317)
Local switching.....	8,430,160	9,283,625	(853,465)
Storage-Freight.....	118	52	61
Demurrage.....	269,145	260,015	9,130
Rents of buildings and other property.....	863	865	(2)
Miscellaneous.....	34,275	45,029	(10,754)
Total railway operating revenues.....	\$14,536,557	\$15,933,904	\$ (1,397,347)
RAILWAY OPERATING EXPENSES:			
Maintenance of way and structures.....	\$ 1,184,076	\$ 1,530,325	\$ (346,249)
Maintenance of equipment.....	1,335,779	1,339,860	(4,081)
Traffic.....	87,576	82,238	5,338
Transportation-Rail line.....	7,348,544	7,782,111	(433,567)
General.....	486,983	499,128	(12,145)
Total railway operating expenses..... (Detail pages 13-16)	\$10,442,958	\$11,233,662	\$ (790,704)
Net revenue from railway operations.....	\$ 4,093,599	\$ 4,700,242	\$ (606,643)
Operating ratio.....	71.84%	70.50%	1.34%
RAILWAY TAX ACCRUALS:			
General property.....	\$ 1,086,425	\$ 1,012,495	\$ 73,929
Federal income.....	16,800	153,373	(136,573)
Retirement.....	436,223	469,089	(32,866)
Unemployment.....	174,133	149,732	24,401
Other.....	5,041	4,850	191
Total railway tax accruals.....	\$ 1,718,622	\$ 1,789,540	\$ (70,918)
Railway operating income...	\$ 2,374,977	\$ 2,910,702	\$ (535,725)
RENT INCOME:			
Rent from locomotives.....	\$ 14,034	\$ 18,752	\$ (4,718)
Rent from work equipment.....	2,049	1,129	920
Joint facility rent income...	837,485	759,481	78,004
Total rent income.....	\$ 853,568	\$ 779,362	\$ 74,206
RENTS PAYABLE:			
Hire of freight cars- Debit balance.....	\$ 1,256,172	\$ 1,676,254	\$ (420,082)
Rent for locomotives.....	14,324	47	14,277
Rent for work equipment.....	221	138	83
Joint facility rents.....	148,406	162,746	(14,340)
Total rents payable.....	\$ 1,419,123	\$ 1,839,185	\$ (420,062)
Net rents-debit.....	\$ 565,555	\$ 1,059,823	\$ (494,268)
Net railway operating income.....	\$ 1,809,422	\$ 1,850,879	\$ (41,457)

INCOME STATEMENT-Concluded

For the Year ended December 31, 1958, compared with the
Year ended December 31, 1957

	1958	1957	Increase or (Decrease)
OTHER INCOME:			
Income from lease of road and equipment.....	\$ 21,919	\$ 21,884	\$ 35
Miscellaneous rent income.....	101,736	105,246	(3,510)
Interest income.....	37,404	39,246	(1,842)
Miscellaneous income.....	1,934	52	1,882
Total other income.....	\$ 162,993	\$ 166,428	\$ (3,435)
Total income.....	\$1,972,415	\$2,017,307	\$ (44,892)
MISCELLANEOUS DEDUCTIONS FROM INCOME:			
Miscellaneous rents.....	\$ 896	\$ 896	\$
Miscellaneous income charges..	2,257	38,862	(36,605)
Total miscellaneous deductions.....	\$ 3,153	\$ 39,758	\$ (36,605)
Income available for fixed charges.....	\$1,969,262	\$1,977,549	\$ (8,287)
FIXED CHARGES:			
Rent for leased roads and equipment..... (Detail page 12)	\$1,760,822	\$1,763,426	\$ (2,604)
Interest on funded debt.....	21,240	26,550	(5,310)
Total fixed charges.....	\$1,782,062	\$1,789,976	\$ (7,914)
Net income after fixed charges and other deductions.....	\$ 187,200	\$ 187,573	\$ (373)
DISPOSITION OF NET INCOME:			
Dividend appropriations of income.....	\$ 187,200	\$ 187,200	\$
Balance of income transferred to profit and loss.....	.....	373	(373)

COMPARATIVE GENERAL BALANCE SHEET

ASSETS

	December 31, 1958	December 31, 1957	Increase or (Decrease)
CURRENT ASSETS:			
Cash.....	\$ 602,322	\$ 1,182,153	\$ (579,831)
Temporary cash investments.....	953,284	607,312	345,922
Traffic and car-service balances-Dr..	179,000	161,749	17,251
Net balances receivable from agents and conductors.....	74,209	36,899	37,310
Miscellaneous accounts receivable....	1,009,828	1,428,992	(419,164)
Interest and dividends receivable....	3,382	4,039	(657)
Accrued accounts receivable.....	687,819	829,309	(141,490)
Working fund advances.....	699	699	.....
Prepayments.....	187,498	244,966	(57,468)
Material and supplies.....	877,063	923,577	(46,514)
Total.....	\$ 4,575,054	\$ 5,419,695	\$ (844,641)
INVESTMENTS:			
Other investments.....	\$ 1,697,098	\$ 1,697,098	\$
PROPERTIES:			
Road.....	\$ 524	\$ 524	\$
Equipment (See pages 11 and 18).....	4,401,139	4,470,605	(69,466)
Improvements on leased property.....	12,785	11,653	1,132
Accrued depreciation-Equipment.....	Cr1,498,671	Cr1,383,008	(115,663)
Total.....	\$ 2,915,777	\$ 3,099,774	\$ (183,997)
OTHER ASSETS AND DEFERRED CHARGES:			
Other assets.....	\$ 28,873	\$ 57,388	\$ (28,515)
Reserve for replacement of equipment leased from C&WI R.R. Co.-Retired- Equipment purchased from payments made by Belt Ry. Co. in anticipa- tion of retirements.....	909,760	909,760	.....
Other deferred charges.....	3,152	7,507	(4,355)
Total.....	\$ 941,785	974,655	(32,870)
Total.....	\$10,129,714	\$11,191,222	\$ (1,061,508)

NOTE.-Equipment leased by this company from Chicago and Western Indiana Railroad Company as of December 31, 1958, is valued at \$1,931,884 including \$931,152 inventory value of equipment leased November 1st, 1912.

DECEMBER 31, 1958 AND DECEMBER 31, 1957

LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 1958	December 31, 1957	Increase or (Decrease)
CURRENT LIABILITIES:			
Audited accounts and wages payable	\$ 625,570	\$ 1,061,825	\$ (436,255)
Miscellaneous accounts payable....	194,413	215,539	(21,126)
Unmatured interest accrued.....	4,646	5,974	(1,328)
Accrued accounts payable.....	131,393	104,028	27,365
Federal income taxes accrued.....	234,116	410,386	(176,270)
Other taxes accrued.....	1,185,498	1,089,939	95,559
Other current liabilities.....	11,315	6,651	4,664
Total.....	\$ 2,386,951	\$ 2,894,342	\$ (507,391)
LONG-TERM DEBT, DUE, WITHIN ONE YEAR:			
Equipment obligations and other debt.....	\$ 236,000	\$ 236,000	\$
LONG-TERM DEBT:			
Equipment obligations.....	\$ 590,000	\$ 826,000	\$ (236,000)
Amounts payable to affiliated companies.....	1,388,968	1,326,736	62,232
Total.....	\$ 1,978,968	\$ 2,152,736	\$ (173,768)
OTHER LIABILITIES AND DEFERRED CREDITS:			
Other liabilities.....	\$ 25,377	\$ 32,299	\$ (6,922)
Reserve for replacement of equipment leased from C&WI R.R. Co.-Retired-Equipment in the original inventory and replacements thereof.....	67,519	75,166	(7,647)
Reserve for replacement of equipment leased from C&WI R.R. Co.-Retired-Equipment purchased from bond proceeds and replacements thereof.....	64,526	537,640	(473,114)
Reserve for replacement of fixed physical property retired and not replaced. Lease November 1, 1912 with C&WI R.R. Co.....	1,846	41,797	(39,951)
Other deferred credits.....	506	961	(455)
Reserve for depreciation on road property leased from C&WI R.R. Co.....	1,450,529	1,364,370	86,159
Reserve for depreciation on equipment leased from C&WI R.R. Co..	797,492	735,911	61,581
Total.....	\$ 2,407,795	\$ 2,788,144	\$ (380,349)
SHAREHOLDERS' EQUITY:			
Capital stock issued (A).....	\$ 3,120,000	\$ 3,120,000	\$
Retained income-unappropriated....	.....	.....	.....
Total.....	\$ 3,120,000	\$ 3,120,000	\$
Total.....	\$10,129,714	\$11,191,222	\$ (1,061,508)

(A) Owned one-thirteenth each - AT&SF, C&EI, CB&Q, CRI&P, Erie, GTW, IC, Monon, Penno., Wabash, Wisconsin Central. Two-thirteenths C&O.

ADDITIONS AND BETTERMENTS **For the year ended December 31, 1958**

ROAD LEASED FROM C&WI R.R. CO.		
EXPENDITURES AND RETIREMENTS DURING THE YEAR:		
Added:		
Interlocking of Western Avenue switches from Hayford Junction		\$ 222,549
Construction of office building and consolidation of telephone system...		59,837
Increase weight of rail, improvements and switches:		
Clearing Yard.....		38,244
Outside Clearing Yard.....		19,374
Roadway machinery and tools.....		13,966
Installation of automatic crossing protection:		
63rd and Kenton Avenue.....		10,410
92nd and Ewing Avenue.....		4,338
Miscellaneous improvements and adjustments:		
Clearing Yard.....		5,653
Outside Clearing Yard.....		2,454
		\$ 376,825
Retired:		
Enginehouse, Motor Cars and Weed Burner acct. fire 3/23/58.....	\$156,804	
Facilities and Telephone System.....	79,524	
Western Avenue switches.....	8,440	
Tracks at Cragin Freight House.....	5,723	
Roadway machinery and tools.....	4,996	
Miscellaneous improvements and adjustments:		
Outside Clearing Yard.....	2,490	
Clearing Yard.....	2,293	260,270
Net expenditures during the year:		
Road Leased.....		\$116,555

ADDITIONS AND BETTERMENTS-Continued

For the year ended December 31, 1958

Brought forward.....			\$116,555
EQUIPMENT LEASED FROM C&WI R.R. CO.:			
Expenditures and Retirements during the Year:			
Added:			
Chevrolet Two Ton Truck No. A39.....		\$ 4,613	
Chevrolet One & One-Half Ton Truck No. A40.....		2,691	
Chevrolet One Ton Stake Body Truck No. A42.....		2,904	
Miscellaneous Additions.....		2,416	
		\$ 12,624	
Retired:			
G.M.C. 3/4 Ton Truck No. A26.....		1,662	
Net expenditures during the Year:			
Equipment Leased.....			\$ 10,962
Total leased additions and betterments..			\$127,517
EQUIPMENT OWNED:			
Expenditures and Retirements during the Year:			
Added:			
Installation of Farr air filters to locomotives 450, 453, 454, and 457..		\$ 1,284	
Second hand Dodge 3/4 Ton Truck No. A41.....		722	
Installation of 2,500 Watt Electric Generator on Truck No. A29.....		198	
Miscellaneous additions.....		237	
		\$ 2,441	
Retired:			
Locomotive No. 302.....	\$71,494		
Chevrolet Truck No. A31.....	418	\$ 71,907	
Net expenditures during the Year:			
Equipment Owned.....			Cr. 69,466
Total leased and owned for the year 1958			\$ 58,051

RENT FOR LEASED ROADS AND EQUIPMENT **For the Year ended December 31, 1958, compared with the** **Year ended December 31, 1957**

	1958	1957	Increase or (Decrease)
CHICAGO AND WESTERN INDIANA R.R.:			
Interest for one year at 4½%, as follows:			
\$14,000,000, the value placed upon the Belt Division of the Chicago and Western Indiana R.R. as it existed on May 11, 1911 and \$4,400,000, the cost to the Chicago and Western Indiana R.R. Co. of acquiring the property of Chicago Union Transfer Ry. Co...	\$ 828,000	\$ 828,000	\$
Interest for one year at 4% upon \$996,000 Consolidated Mortgage Bonds Chicago and Western Indiana R.R. Co. issued and used for additions and betterments to the Belt Division, made or acquired between May 11, 1911 and September 2, 1912.....	39,840	39,840	.....
Interest for one year at 5½% on \$2,993,694.24 represented by First and Refunding Mortgage Series "A" Bonds and \$98,000 Series "C" Bonds in sinking fund.....	170,043	170,043	.....
Interest for one year at 4½% on \$6,261,970.79 represented by First and Refunding Mortgage Series "D" Bonds in sinking fund September 1, 1952.....	266,134	266,134	.....
Interest for one year at 4-3/8% on \$6,478,436.75 First Collateral Trust Mortgage Series "A" Bonds to retire outstanding First and Refunding Mortgage 4½ Series "D" Bonds called for redemption September 1, 1952, interest at 4-3/8% on \$1,719,129.19 (new money) First Collateral Trust Mortgage Series "A" Bonds sold May 28, 1952, proceeds of which were or will be expended for future additions and betterments, also repayment of Bank loans and reimbursement of Treasury cash.....	358,644	358,644	.....
Payment to C&WI R.R. Co. as rental, income tax on profit from sales of Belt Ry. Co. leased property, amortization over the period of the lease of November 1, 1912 the Belt Ry. Co. proportion of expenses in connection with refinancing through sale of 4½ Bonds. Credit of interest at 4½% on \$301,237.63 covering adjustment of Joint Facility Zone rental and other miscellaneous rental charges.	34,453	41,298	(Note A) (6,845)
CHICAGO, PEORIA & WESTERN RY. CO.			
Track at Argo, Illinois.....	2,259	2,259	.....
CLEARING INDUSTRIAL DISTRICT, INC.			
Land and tracks at Clearing, Ill.....	61,428	57,187	4,241
AMERICAN BRAKE SHOE AND FOUNDRY CO.			
Strip of land located at 26th Street and Kenton Avenue.....	11	11	.....
RAIL TO WATER, INC.			
Land in the vicinity of 100th Street and Calumet River.....	10	10	.....
Total.....	\$1,760,822	\$1,763,426	\$ (2,604)

Note "A": Due principally to decrease in payment to Chicago and Western Indiana Railroad Company for income tax on profit from sales of Belt Ry. Co. leased property.

OPERATING EXPENSES

For the Year ended December 31, 1958, compared with the
Year ended December 31, 1957

	1958	1957	Increase or (Decrease)
MAINTENANCE OF WAY AND STRUCTURES:			
Superintendence.....	\$ 147,601	\$ 143,231	\$ 4,370
Roadway maintenance.....	137,051	116,518	20,533
Bridges, trestles, and culverts....	20,314	39,627	(19,313)
Ties.....	40,835	68,613	(27,778)
Rails.....	63,865	211,783	(147,918)
Other track material.....	83,040	150,046	(67,006)
Ballast.....	6,228	22,992	(16,764)
Track laying and surfacing.....	322,340	428,225	(105,885)
Fences, snowsheds and signs.....	3,198	3,187	11
Station and office buildings.....	61,745	87,787	(26,042)
Roadway buildings.....	10,347	9,053	1,294
Water stations.....	1,374	5,078	(3,704)
Fuel stations.....	529	587	(58)
Shops and enginehouses.....	43,961	41,485	2,476
Wharves and docks.....	3	-----	3
Communication systems.....	28,684	42,576	(13,892)
Signals and interlockers.....	143,172	235,679	(92,507)
Power plants.....	8,324	8,000	324
Power-transmission systems.....	523	Cr. 12,577	13,100
Miscellaneous structures.....	11,167	4,750	6,417
Road property-Depreciation (Leased)	155,774	147,699	8,075
Retirements-Road.....	7,188	Cr. 5,982	13,170
Roadway machines.....	14,013	17,517	(3,504)
Dismantling retired road property..	11,405	10,770	635
Small tools and supplies.....	26,622	26,457	165
Removing snow, ice and sand.....	51,241	44,396	6,845
Public improvements-Maintenance....	10,422	14,589	(4,167)
Injuries to persons.....	18,028	8,421	9,607
Insurance.....	14,301	7,991	6,310
Stationery and printing.....	2,282	2,264	18
Other expenses.....	25,393	28,920	(3,527)
Right-of-way expenses.....	607	74	533
Maintaining joint tracks, yards and other facilities-Dr.....	114,714	106,094	8,620
Gross total.....	\$1,586,291	\$2,015,850	\$(429,559)
Maintaining joint tracks, yards and other facilities-Cr.....	402,215	485,525	(83,310)
Net - Belt Railway - Separate operation.....	\$1,184,076	\$1,530,325	\$(346,249)
Ratio to operating revenues.....	8.15%	9.60%	(1.45%)

OPERATING EXPENSES-Continued

For the year ended December 31, 1958, compared with the
Year ended December 31, 1957

	1958	1957	Increase or (Decrease)
MAINTENANCE OF EQUIPMENT:			
Superintendence.....	\$ 73,133	\$ 77,729	\$(4,596)
Shop machinery.....	21,424	1,707	19,717
Power-plant machinery.....	15,070	14,929	141
Shop and power plant machinery - Depreciation (Leased).....	10,678	10,856	(178)
Dismantling retired shop and power plant machinery.....	607	2,128	(1,521)
Other locomotives - Repairs.....	683,078	697,245	(14,167)
Freight-train cars-Repairs.....	318,201	318,743	(542)
Work equipment - Repairs.....	2,795	4,142	(1,347)
Miscellaneous equipment - Repairs..	8,529	7,440	1,089
Dismantling retired equipment (Leased).....	356	1,437	(1,081)
Equipment - Depreciation (Leased)..	67,800	66,581	1,219
Equipment - Depreciation (Owned)...	173,768	174,889	(1,121)
Injuries to persons.....	11,074	9,789	1,285
Insurance.....	17,326	5,413	11,913
Stationery and printing.....	5,745	3,637	2,108
Other expenses.....	18,311	17,449	862
Joint maintenance of equipment expenses - Dr.....	115,488	121,705	(6,217)
Gross total.....	\$1,543,383	\$1,535,819	\$ 7,564
Joint maintenance of equipment expenses - Cr.....	207,604	195,959	11,645
Net - Belt Railway - Separate operation.....	\$1,335,779	\$1,339,860	\$(4,081)
Ratio to operating revenues.....	9.19%	8.41%	.78%
TRAFFIC:			
Superintendence.....	\$ 35,543	\$ 36,672	\$(1,129)
Outside agencies.....	66,856	58,569	8,287
Advertising.....	1,589	3,669	(2,080)
Stationery and printing.....	5,101	3,023	2,078
Other expenses.....	74	28	46
Gross total.....	\$ 109,163	\$ 101,961	\$ 7,202
Charged to Owner Line operation....	21,587	19,723	1,864
Net - Belt Railway - Separate operation.....	\$ 87,576	\$ 82,238	\$ 5,338
Ratio to operating revenues.....	.60%	.52%	.08%

OPERATING EXPENSES-Continued

For the Year ended December 31, 1958, compared with the
Year ended December 31, 1957

	1958	1957	Increase or (Decrease)
TRANSPORTATION - RAIL LINE:			
Superintendence.....	\$ 368,695	\$ 374,291	\$(5,596)
Dispatching trains.....	58,833	60,857	(2,024)
Station employees.....	967,974	1,103,541	(135,567)
Weighing, inspection and demurrage bureaus.....	5,267	4,908	359
Station supplies and expenses.....	83,999	86,930	(2,931)
Yardmasters and yard clerks.....	623,946	624,381	(435)
Yard conductors and brakemen.....	2,474,808	2,581,915	(107,107)
Yard switch and signal tenders.....	393,349	387,750	5,599
Yard enginemen.....	1,654,831	1,706,769	(51,938)
Yard switching fuel.....	342,603	387,380	(44,777)
Water for yard locomotives.....	3,803	3,287	516
Lubricants for yard locomotive.....	37,465	38,514	(1,049)
Other supplies for yard locomotives	29,047	30,382	(1,335)
Enginehouse expenses - Yard.....	168,205	172,200	(3,995)
Yard supplies and expenses.....	563,435	603,234	(39,799)
Crossing protection.....	63,675	80,024	(16,349)
Communication system operation.....	19,461	18,396	1,065
Stationery and printing.....	75,543	78,110	(2,567)
Other expenses.....	59,602	59,850	(248)
Insurance.....	26,121	16,994	9,127
Clearing wrecks.....	24,011	23,429	582
Damage to property.....	57,158	22,903	34,255
Loss and damage-Freight.....	118,034	136,583	(18,549)
Injuries to persons.....	225,560	222,138	3,422
Operating joint yards and terminals - Dr.....	490,127	523,547	(33,420)
Gross total.....	\$8,935,552	\$9,348,313	\$(412,761)
Operating joint yards and terminals - Cr.....	1,587,008	1,566,202	20,806
Net - Belt Railway - Separate operation.....	\$7,348,544	\$7,782,111	(433,567)
Ratio to operating revenues.....	50.55%	48.84%	1.71%

OPERATING EXPENSES-Concluded

For the Year ended December 31, 1958, compared with the
Year ended December 31, 1957

	1958	1957	Increase or (Decrease)
GENERAL:			
Salaries and expenses of general officers.....	\$ 119,555	\$ 112,053	\$ 7,502
Salaries and expenses of clerks and attendants.....	302,985	316,738	(13,753)
General office supplies and expenses.....	48,976	55,841	(6,865)
Law expenses.....	53,825	48,109	5,716
Insurance.....	468	75	393
Pensions and gratuities.....	38,025	36,981	1,094
Stationery and printing.....	16,492	14,493	1,999
Valuation expenses.....	108	322	(214)
Other expenses.....	27,445	32,714	(5,269)
General joint facilities - Dr.....	4,156	3,892	274
Gross total.....	\$ 612,035	\$ 621,158	\$ (9,123)
General joint facilities - Cr.....	125,052	122,030	3,022
Net-Belt Railway - Separate operation.....	\$ 486,983	\$ 499,128	\$ (12,145)
Ratio to operating revenues.....	3.35%	3.13%	.22%
Total gross.....	\$12,786,424	\$13,623,101	\$ (836,677)
Total deductions.....	2,343,466	2,389,439	(45,973)
Total operating expense- (Belt Railway- Separate operation).....	\$10,442,958	\$11,233,662	\$ (790,704)
Ratio to operating expenses.....	71.84%	70.50%	1.34%
Operating revenue per car.....	\$ 13.324	\$ 12.902	\$.422
Operating expenses per car.....	\$ 9.572	\$ 9.096	\$.476

CARS HANDLED

Cars Handled by The Belt Railway Company of Chicago in its "Separate Operations"	1958		1957		Increase or (Decrease) Percent
	Number	Percent	Number	Percent	
INTERCHANGE:					
Loaded cars.....	298,986	27.40	348,887	28.25	(14.32)
Empty cars.....	276,107	25.31	303,703	24.59	(9.09)
LOCAL:					
Loaded cars.....	265,701	24.35	301,219	24.39	(11.79)
Empty cars.....	250,291	22.94	281,233	22.77	(11.00)
Total.....	1,091,035	100.00	1,235,042	100.00	(11.66)
TOTAL:					
Loaded cars.....	564,637	51.75	650,106	52.64	(13.15)
Empty cars.....	526,398	48.25	584,936	47.36	(10.01)
Total.....	1,091,035	100.00	1,235,042	100.00	(11.66)
Cars interchanged directly between Owner Roads at Clearing and other yards, being handled by the Belt Railway through those yards.....	499,657		528,997		(5.55)
Cars handled by Owner Lines in direct movement over Belt Railway Co. of Chicago.....	327,908		204,573		60.29
Total cars handled.....	1,918,600		1,968,612		(2.54)

The following statement shows the number of cars handled by The Belt Railway Company of Chicago in its "separate operations" annually during the past five years.

Year	Interchange		Local		Total Cars
	Loaded	Empty	Loaded	Empty	
1954	354,588	288,373	260,662	222,334	1,125,957
1955	386,795	266,830	299,046	255,386	1,208,057
1956	381,289	272,906	315,939	279,228	1,249,362
1957	348,887	303,703	301,219	281,233	1,235,042
1958	298,936	276,107	265,701	250,291	1,091,035

The following statement shows the number of cars interchanged during the last five years directly between Owner Roads at Clearing and other yards, being handled by the Belt Railway through those yards, also cars handled by Owner Lines in direct movement over The Belt Railway Company of Chicago.

Year	Number of Cars
1954	703,569
1955	731,664
1956	752,903
1957	733,570
1958	827,565

EQUIPMENT LEASED

	Number on Hand Dec. 31 1957	Number Added During Year	Number Retired During Year	Number on Hand Dec. 31 1958
Locomotives:				
Diesel.....	16	0	0	16
Freight Car Equipment:				
Box.....	1	0	0	1
Caboose.....	28	0	0	28
Total.....	29	0	0	29
Work Equipment:				
Wrecking derrick.....	1	0	0	1
Diesel clamshell.....	1	0	0	1
Tool car.....	1	0	0	1
Commissary car.....	1	0	0	1
Total.....	4	0	0	4
Miscellaneous Equipment:				
Automobile trucks.....	9	3	1	11

EQUIPMENT OWNED

Locomotives:				
Diesel.....	32	0	1	31
Freight Car Equipment:				
Caboose.....	5	0	0	5
Box.....	1	0	0	1
Total.....	6	0	0	6
Work Equipment:				
Flat cars.....	4	0	0	4
Gondola cars.....	2	0	0	2
Truck car.....	1	0	0	1
Refrigerator cars.....	1	0	0	1
Instruction car.....	1	0	0	1
Total.....	9	0	0	9
Miscellaneous Equipment:				
Automobiles:				
Truck.....	3	1	1	3
Suburban carryall.....	1	0	0	1
Total.....	4	1	1	4

MILEAGE OF TRACK OPERATED

	1958				
	First Main	Second Main	Other Mains	Yard Tracks and Sidings	Total
A - Leased From C&WI R.R. Co.					
B - Leased From Other Companies					
C - Operated Under Trackage Rights C&WI R.R. Co.					
D - Operated Under Trackage Rights - Other Companies					
A - 1 - Cragin to Pullman Junction.....	19.32	19.31	.....	66.98	105.61
2 - Pullman Jct. to Commercial Ave.....	2.10	2.05	.....	34.03	38.18
3 - Commercial Ave. to Steel Mills.....	.....	.....	.....	1.06	1.06
4 - Commercial Ave. to So. Deering.....	.....	.....	.....	37.96	37.96
5 - Main Line 55th St. to Elsdon.....	1.51	.....	.....	.17	1.68
6 - Clearing Yard, Incl. 59th St. Line..	4.23	4.24	.....	176.23	184.70
Total.....	27.16	25.60	.....	315.53	368.29
B - 7 - Chicago, Peoria & Western (Argo)....	.....	.....	.....	.52	.52
8 - Clearing Industrial District.....	.....	.....	.....	14.04	14.04
Total.....	.....	.....	.....	14.56	14.56
C - 9 - Pullman Jct. to Burnham.....	6.78	6.68	4.37	2.13	19.96
10 - 80th to 134th St. (Dolton Branch)...	6.74	6.76	3.81	.29	17.60
11 - 40th St. to 74th St.....	.....	.....	4.26	.....	4.26
Total.....	13.52	13.44	12.44	2.42	41.82
D- 12 - C.R.I. & P. Ry.-South Chicago.....	.....	.....	.....	1.57	1.57
13 - P.F.W. & C. Ry.-South Chicago.....	.....	.....	.....	.09	.09
14 - I.H.B.R.R.-55th to Elsdon.....	1.41	1.40	.....	.....	2.81
15 - B. & O.C.T. R.R. Clearing to Proviso	9.05	8.09	.....	13.70	30.84
16 - B. & O.C.T. R.R. Southwest Division (Cicero District).....	.....	.....	.....	6.08	6.08
17 - N.Y.C. & St. L.R.R.-Ford Yd. & Lead.	.....	.....	.....	1.26	1.26
18 - Calumet Western R.R. 112th to 116th St.....	.51	.....	.....	.....	.51
19 - Pennsylvania R.R. & I.H.B. R.R. (Joint) 116th to 117th St.....	.11	.....	.....	.....	.11
Total.....	11.08	9.49	.....	22.70	43.27
Total.....	51.76	48.53	12.44	355.21	467.94

*Trackage Rights Not Exercised.

Above figures do not include yard tracks leased to The Belt Railway Co. of Chicago by Chicago and Western Indiana Railroad Co., but operated exclusively as follows:

1958

1.46 Miles - Warner Branch by C. & W. P. & S. R. R.

9.18 Miles - Rockwell St. Yard by C. & O. Ry. Co.

10.64 Miles - Leased to but not operated by The Belt Ry. Co. of Chicago

TRackage RIGHTS GRANTED OTHER COMPANIES

Company	Location	Miles of Road
		1958
I.H.B. R.R.	Elsdon Branch	1.51
E.J. & E. R.R.	South Chicago to Millgate & South Deering	3.40
Chicago Short Line.	South Chicago to South Deering	2.90
Total		7.81